

**MINUTES OF REGULAR MEETING - RIVERBOAT
OPEN SESSION
May 28, 2015
ILLINOIS GAMING BOARD
Springfield, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, May 28, 2015 a Regular Meeting - Riverboat of the Illinois Gaming Board ("Board") was held on the mezzanine level at the Hilton Springfield in Springfield, Illinois at 9:03 A.M. Present were the following: Chairman Don Tracy, Members Lee Gould, Hector Alejandre and Member Thomas Dunn.

Member Dunn moved **that the Board approve the open session minutes from the Illinois Gaming Board Regular Meeting held on April 24, 2015.** Member Alejandre seconded the motion. The Board approved the motion unanimously by roll call vote.

CHAIRMAN'S COMMENTS –

Chairman Tracy welcomed Board, staff and general public to the open session Board meeting.

ADMINISTRATOR'S COMMENTS –

Administrator Ostrowski welcomed and introduced our Springfield staff to the Open Session Board meeting.

PUBLIC COMMENTARY:

Mr. Tom Swoik, Executive Director of the Illinois Casino Gaming Association addressed the Board.

Twenty five years ago this past February the riverboat gaming act was enacted and 24 years ago this coming October the first riverboat began operation in Alton. The past 24 years have been very interesting to say the least. The industry has paid over \$9.3 billion in taxes to the state and the local communities where the casinos are located have received over \$2 billion in taxes. We have seen the tax rates jump from a flat 20% to a graduated rate with a maximum of 35% to a maximum of 50% to a maximum of 70%, back to a maximum of 50%. We have seen several casinos pay the maximum tax rate for a large portion of the year and now only one will achieve that level. We have seen casinos pay part of their gross revenues to support the failing racing industry. We have seen a bill pass the Illinois house to eliminate casinos and once again are seeing attempts to expand gaming.

We have seen video gaming become an enormous part of the gaming market in the state. In essence what I am saying is that the business environment in Illinois toward the casino industry has not been the most stable casino friendly atmosphere.

2007 was the best year the industry had seen with AGR of nearly \$2 billion, last year revenues were down to \$1.04 billion. That's a decrease of 47.6 % in revenues for the 9 casinos operating in 2007.

In 2007 admissions were over 16.5 million with only 9 casinos—and last year admissions at these same 9 were down to about 10 million. That's a decrease of 39.5% in admissions. Even with ten casinos operating we have not achieved the 2007 revenue or admission numbers. We have gaming expansion in Illinois—there are now nearly 20,000 video gaming machines, equivalent to almost 17 additional casinos.

We have seen casino revenues decrease by over 10.5% and admissions decrease by nearly 2.7 million or over 16 % since 2012.

Our analysis of the two representative Rita Bills, a Chicago only and a larger expansion bill proves that while Chicago will gain some new revenues, the state losses revenues and education is impacted even more negatively. Obviously, we are adamantly opposed to any further expansion, the Illinois market is saturated. That's just a quick overview of gaming over the past 25 years.

Now I'd like to make a few comments about the industry and the Board.

We have had a very good working relationship with the Illinois Gaming Board.

While regulatory requirements are stringent, we understand and agree that they are intended to protect the public and the industry. And I might add we are proud of the fact that there have been very few issues. Are there things we would like to see improve? Obviously there are always ways to make things better.

We will continue to work with staff to find ways to address issues in a timely systematic manner. The responsibilities of the board and the jobs of your staff have changed dramatically over the past four years, we compliment you and them on your ability to cope with these changes often times with limited resources and look forward to the continued positive relationship we have.

Thank you for your time today.

OWNER LICENSEE ITEMS:

- Elgin Riverboat Resort d/b/a Grand Victoria Casino
Member Alejandre moved **that the Board approve Paul A. Bible Trustee of Nicholas Pritzker-Family Trusts of RBG, LLC as a Key Person of Elgin Riverboat Resort d/b/a Grand Victoria Casino.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Par-A-Dice Hotel and Casino- Matthew R. Bozell
Member Alejandre moved **that the Board approve Matthew R. Bozell in his position as Internal Audit Manager-Key Person at par-A-Dice Hotel and Casino.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Rock Island Boatworks – Steven James Brotherton
Member Alejandre moved **that the Board approval Steven James Brotherton in his position as Director of Information Technology at Rock Island Boatworks d/b/a Jumer's Hotel and Casino.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

SUPPLIER LICENSEE ITEMS:

- Novomatic Americas, Sales, LLC – Supplier License Renewal
Member Gould moved **that the Board approve the Supplier License of Novomatic Americas, Sales, LLC, for a period of four years, expiring in May 2019, and approve the Key Persons submitted as part of the license renewal process.** Member Alejandre seconded the motion. The Board approved the motion unanimously by roll call vote.
- Novomatic Americas, Sales, LLC- Richard D. Meitzler (Key Person)
Member Gould moved **that the Board approved Richard D. Meitzler-Chief Executive Officer/Chief Operating Officer as a Key Person of Novomatic Americas, Sales, LLC.** Member Alejandre seconded the motion. The Board approved the motion unanimously by roll call vote.
- WMS Gaming, Inc. -Derik John Mooberry
Member Dunn moved **that the Board approve Derik John Mooberry –Executive Vice President and Group Chief Executive of Gaming as a Key Person of WMS Gaming, Inc.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSEE ITEMS:

- Approvals & Denials:
Member Dunn moved that based on staff's investigation and recommendation, **that the Board move to find suitable and approve 57 level 2 occupational licenses, 89 level 3 occupational license, and issue a Notice of Denial to Brando Sarno.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

At 9:40 A.M. Member Gould motioned to adjourn and Member Alejandre seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,
Mary C. Boruta
Secretary to the Administrator